

AMENDED IN SENATE APRIL 27, 2004

SENATE BILL

No. 1192

Introduced by Senator Chesbro

February 9, 2004

An act to amend Section 1367.2 of the Health and Safety Code, and to amend Section 10123.6 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 1192, as amended, Chesbro. Substance related disorders.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a violation of the act's requirements ~~is~~ a crime. Existing law also provides for the licensure and regulation of health insurers by the Department of Insurance. Existing law requires a health care service plan and a health insurer to offer coverage for the treatment of alcoholism.

This bill would require a health care service plan and health insurer to provide coverage for the medically necessary treatment of substance related disorders, excluding ~~caffeine-related~~ *caffeine and nicotine related* disorders, on the same basis as coverage is provided for any other medical condition. The bill would authorize a plan and insurer to limit nonhospital residential care, as defined, to 60 days per calendar year *and outpatient care to 20 visits per calendar year*.

Because a willful violation of the bill's requirements with respect to health care service plans would be a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1367.2 of the Health and Safety Code
2 is amended to read:

3 1367.2. (a) On and after January 1, 1990, every health care
4 service plan that covers hospital, medical, or surgical expenses on
5 a group basis shall offer coverage for the treatment of alcoholism
6 under terms and conditions as may be agreed upon between the
7 group subscriber and the health care service plan. The plan shall
8 communicate the availability of this coverage to all group
9 subscribers and to all prospective group subscribers with whom
10 they are negotiating.

11 (b) A health care service plan contract issued, amended, or
12 renewed on or after January 1, 2005, that provides hospital,
13 medical, or surgical expenses on a group or individual basis shall
14 provide coverage for the medically necessary treatment of
15 substance related disorders, with the exception of ~~caffeine-related~~
16 *caffeine and nicotine related* disorders, as listed in the Diagnostic
17 and Statistical Manual of Mental Disorders IV, published by the
18 American Psychiatric Association, in a nondiscriminatory manner
19 on the same basis as any other medical care.

20 (c) A health care service plan shall provide the continuum of
21 clinically effective and appropriate services and continuing
22 treatment by a licensed physician and surgeon, a licensed
23 psychologist, a licensed marriage and family therapist, or other
24 provider licensed or certified in the treatment of substance related
25 disorders or in a facility licensed or certified by the Department of
26 Alcohol and Drug Programs or the State Department of Health
27 Services.

28 (d) Coverage and funding shall be the same as benefits
29 covering other physical illness, including medications, with the
30 same cost-sharing provisions, deductibles, appropriate caps or
31 limits on the number of outpatient visits, residential or inpatient



1 treatment days, payments, lifetime benefits, and catastrophic
2 coverage.

3 (e) A health care service plan shall communicate the
4 availability of this coverage to all enrollees and to all prospective
5 subscribers with whom it is negotiating.

6 (f) Compliance with this section shall be monitored by the
7 Department of Managed Health Care.

8 (g) A health care service plan may limit nonhospital residential
9 care to 60 days per calendar year. For purposes of this section,
10 “nonhospital residential care” means the provision of medical,
11 nursing, counseling, or therapeutic services to patients suffering
12 from substance-related disorders in a short- or long-term
13 residential environment, according to individualized treatment
14 plans. *A health care service plan may limit outpatient care*
15 *provided under this section to 20 visits per calendar year.*

16 (h) For purposes of compliance with this section, a plan may
17 provide coverage for all or part of the substance-related services
18 required by this section through a separate specialized health care
19 service plan or substance abuse plan and is not required to obtain
20 an additional or specialized license for this purpose.

21 (i) The provisions of this section do not apply to Medi-Cal,
22 vision-only, dental-only, accident-only, specified disease, hospital
23 indemnity, Medicare supplement, or long-term care coverage.

24 SEC. 2. Section 10123.6 of the Insurance Code is amended to
25 read:

26 10123.6. (a) On and after January 1, 1990, every insurer
27 issuing group health insurance shall offer coverage for the
28 treatment of alcoholism under terms and conditions as may be
29 agreed upon between the group policyholder and the insurer. An
30 insurer shall communicate the availability of this coverage to all
31 group policyholders and to all prospective group policyholders
32 with whom it is negotiating.

33 (b) A policy of health insurance that is issued, amended, or
34 renewed on or after January 1, 2005, shall provide coverage for the
35 treatment of substance-related disorders, with the exception of
36 ~~caffeine-related~~ *caffeine and nicotine related* disorders, as listed
37 in the Diagnostic and Statistical Manual of Mental Disorders IV,
38 published by the American Psychiatric Association, in a
39 nondiscriminatory manner on the same basis as any other medical
40 condition.

(c) An insurer shall provide the continuum of clinically effective and appropriate services and continuing treatment by a licensed physician and surgeon, a licensed psychologist, a licensed marriage and family therapist, or other provider licensed or certified in the treatment of substance-related disorders or in a facility licensed or certified by the Department of Alcohol and Drug Programs or the State Department of Health Services.

(d) Coverage and funding shall be the same as benefits covering other physical illness, including medications, with the same cost-sharing provisions, deductibles, appropriate caps or limits on the number of outpatient visits, residential or inpatient treatment days, payments, lifetime benefits, and catastrophic coverage.

(e) An insurer shall communicate the availability of this coverage to all policyholders and to all prospective policyholders with whom it is negotiating.

(f) Compliance with this section shall be monitored by the Department of Insurance.

(g) A health insurance policy may limit nonhospital residential care to 60 days per calendar year. For purposes of this section, “nonhospital residential care” means the provision of medical, nursing, counseling, or therapeutic services to patients suffering from substance-related disorders in a short- or long-term residential environment, according to individualized treatment plans. *A health insurance policy may limit outpatient care provided under this section to 20 visits per calendar year.*

(h) For purposes of compliance with this section, a health insurer may provide coverage for all or part of the substance-related services required by this section through a separate specialized health insurance policy or substance abuse insurance policy and is not required to obtain an additional or specialized license for this purpose.

(i) The provisions of this section do not apply to Medi-Cal, vision-only, dental-only, accident-only, specified disease, hospital indemnity, Medicare supplement, or long-term care coverage.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of
2 the Government Code, or changes the definition of a crime within
3 the meaning of Section 6 of Article XIII B of the California
4 Constitution.

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